CAYMAN ISLANDS

Insurance Law, 2010

INSURANCE (REPORTING) REGULATIONS, 2013

(SL 9 of 2013)

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PUBLISHING DETAILS

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Arrangement of Regulations

CAYMAN ISLANDS

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In exercise of the powers conferred by section 40 of the Insurance Law, 2010, the Governor in Cabinet makes the following Regulations —

Citation

1. These Regulations may be cited as the Insurance (Reporting) Regulations, 2013.

Interpretation

2. In these Regulations —

"**Cayman risk**" means risks related to an insurer's domestic business ;

"**commissions paid**" means remuneration paid to a salesperson, broker or agent for the placement of an insurance contract with the insurer;

"**catastrophe model**" means a model with storm surge operational within the model, including RMS, AIR, Eqecat Models, or any other model approved by the Authority;

"**deposit accounted items**" means insurance related transactions that do not meet the accounting definition of risk transfer;

"**gross written premium**" means in the case of external insurers the gross written premium related to Cayman risk less refunds collected, and in the case of locally incorporated insurers the gross written premium related to worldwide risk less refunds issued;

"**IBNR**" means incurred but not reported;

"**insurance manager**" means the holder of a valid insurance manager licence under section 4(3)(g) of the Law;

"**manager**" means a person, other than the approved insurance manager who handles, controls or directs the business operations of an insurer;

"**prescribed management letter**" means written correspondence from the auditor with respect to any material audit related matters which should be brought to the attention of the Authority;

"**recognized rating agency**" means A.M Best Company, Fitch, Moody's, Standard and Poor's, and any other agency approved by the Authority;

"**regulated**" means regulated in a jurisdiction and by a body both recognized by the Authority for purpose of these Regulations;

"**reinsurance premium ceded**" means the total premium paid or payable to reinsurers in respect of risk transferred to such reinsurers by an insurance company under reinsurance contracts;

"**salvage recoveries**" means the recoveries resulting from the right of an insurer who has taken over another's loss also to take over the other person's right to property against that loss;

"**subrogation recoveries**" means the recoveries resulting from the right of an insurer who has taken over another's loss also to take over the other person's right to pursue remedies against a third party;

"**unpaid claims**" means claims incurred but not yet paid;

"**unearned premium reserve**" means an insurer's liability for its unearned premium as of any given valuation date; and

"**worldwide risk**" means the entire insurance business of the insurer and includes its Cayman risk.

Reporting instructions and forms

3. The forms set out in the Schedule are prescribed for the respective reporting purposes provided for in the Law and in these Regulations as specified in the respective headings to each of such forms.

Transitional provision

4. A licensee existing at the date of the coming into force of these Regulations shall comply with these Regulations at the next reporting date due but not less than twelve months from the date of the Regulations coming into force, unless otherwise prescribed by these Regulations.

SCHEDULE

(Regulation 3)

FORMS

FORM 1

CAYMAN ISLANDS MONETARY AUTHORITY THE INSURANCE LAW, 2010

THE INSURANCE (REPORTING) REGULATIONS, 2013 ANNUAL RETURNS - CLASS A INSURER - SECTION 9

INSTRUCTIONS

Name of Licensee ___________________

Licence No. _______________________

Annual Return for the year ended ________________________

Pursuant to the Insurance Law, 2010 provide the following in respect of the company's business:

FOR LOCAL INSURERS:

1. Audited financial statements of worldwide risk prepared in accordance with internationally recognized accounting standards by an independent auditor approved by the Authority, together with a copy of any prescribed management letter issued by the auditor.
2. An actuarial valuation of worldwide risk certified by an actuary approved by the Authority, in accordance with Form 4-G or 4-L, as applicable.
3. Certification of solvency prepared by a person approved by the Authority.
4. Written confirmation that the information set out in the application for the licence, as modified by any subsequent changes approved by the Authority, remains correct.
5. Domestic Business Report for its worldwide long term or general risk as applicable and in the format prescribed in Form 1-L (long term) or Form 1-G (general).
6. Domestic Underwriting Report for its worldwide long term or general risk as applicable and in the format prescribed in Form 2-L (long term) or Form 2-G (general).
7. Reinsurance Report which should include :-
    a. copy of all reinsurance cover notes in respect of domestic business as evidence of reinsurance cover;
    b. facultative reinsurance contracts where the premium for any particular cover exceeds 10% of the gross written premium for the class; and

c. cessions to other reinsurers which may be grouped geographically.

8. Funds for Claims Settlement Report in Form 3.
9. A list of all agents and brokers with authority to solicit business on behalf of the company and brokers with whom business has been transacted during the reporting year and confirmation that the agents are fit and proper persons.
10. Such other information as may be required on a request basis.

FOR EXTERNAL INSURERS:

1. Audited financial statements of Cayman risk prepared in accordance with internationally recognized accounting standards by an independent auditor approved by the Authority, together with a copy of any prescribed management letter issued by the auditor.
2. An actuarial valuation of Cayman risk certified by an actuary approved by the Authority, in accordance with Form 4-G or 4-L, as applicable.
3. Certification of solvency prepared by a person approved by the Authority;
4. Written confirmation that the information set out in the application for the licence, as modified by any subsequent changes approved by the Authority, remains correct.
5. Domestic Business Report for Cayman long term or general business as applicable and in the format prescribed in Form 1-L (long term) or Form 1-G (general).
6. Domestic Underwriting Report for Cayman long term or general business as applicable and in the format prescribed in Form 2-L (long term) or Form 2-G (general).
7. Reinsurance Report which should include:

a. copy of all reinsurance cover notes in respect of domestic business as evidence of reinsurance cover;
b. facultative reinsurance contracts where the premium for any particular cover exceeds 10% of the gross written premium for the class; and
c. cessions to other reinsurers which may be grouped geographically.

8. Funds for Claims Settlement Report in Form 3.
9. A copy of the form or return equivalent to the documents required by section 9 of the Law and by this Regulation, most recently filed with the insurance regulator in the jurisdiction of its principal or registered office.
10. A list of all agents and brokers with authority to solicit business on behalf of the company and brokers with whom business has been transacted during the reporting year and confirmation that the agents are fit and proper persons, and
11. Such other information as may be required on a request basis.

Note: Annual report filing deadline: 6 months after company’s financial year end. Some items in this form may be waived for certain companies, as determined by the Authority on a case-by-case basis.

FORM 1-L

CAYMAN ISLANDS MONETARY AUTHORITY THE INSURANCE LAW, 2010

THE INSURANCE (REPORTING) REGULATIONS, 2013

Liabilities[1]

Class of Business	Aggregate Insurance in force	Total Policies in force at the beginning of the period	Total Policies in force at the end of the period	Estimated Policyholder Liabilities
Whole Life				
Universal Life				
Term Life				
Non-NPO Regulated Annuities				
NPO Regulated Annuities				
Unit Linked				
Other (specify)				

* * * *

[1] For locally incorporated companies, report worldwide risk and for external companies report Cayman risk.

FORM 1-G

CAYMAN ISLANDS MONETARY AUTHORITY THE INSURANCE LAW, 2010

THE INSURANCE (REPORTING) REGULATIONS, 2013 DOMESTIC BUSINESS REPORT (GENERAL)[2]

Class of Business	Aggregate Insurance in force	Total Policies in force at the beginning of the period	Total Policies in force at the end of the period	Unearned Premium Reserves*	Outstanding Claims Reserves*	IBNR Reserves*
Property (including Engineerin g)						
Motor						
Liability						
Health						
Other (Specify)						
Total						

(*) Net of Reinsurance

[2] For locally incorporated companies, report worldwide risk and for external companies report Cayman risk.

FORM 2-L

CAYMAN ISLANDS MONETARY AUTHORITY THE INSURANCE LAW, 2010

THE INSURANCE (REPORTING) REGULATIONS, 2013 UNDERWRITING REPORT (LONG TERM)[3]

Class of Business	Premiums[4]		Benefits or Annuity Payments Paid		Change in policyholder liabilities		Commission expenses		Underwriting, Management and other Administration Expenses	Net Underwriting Income
	Gross	Reinsurance Ceded	Gross	Net	Gross	Net	Gross	Net		

[3] For locally incorporated companies, report worldwide risk and for external companies report Cayman risk.

[4] For locally incorporated companies, report worldwide risk and for external companies report Cayman risk.

	SINGLE	FIRST YEAR	RENEWAL	SINGLE	FIRST YEAR	RENEWAL	DEATH	MATURITY	EXPIRY	LAPSE	SURRENDER	OTHER	DEATH	MATURITY	EXPIRY	LAPSE	SURRENDER	OTHER
Whole Life																		
Universal Life																		
Term Life																		
Non-NPO regulated pension and annuities																		

Made in Cabinet the 12th day of February, 2013.
Kim Bullings
Clerk of the Cabinet.